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EXAMINER

BORLINGHAUS, JASON M

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6 UNITED STATES PATENT AND TRADEMARK OFFICE
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9 BEFORE THE BOARD OF PATENT APPEALS
10 AND INTERFERENCES
11

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13 *Ex parte* REUBEN BAHAR
14

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16 Appeal 2008-3020
17 Application 09/822,732
18 Technology Center 3600
19

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21 Decided:¹ March 26, 2009
22

23
24 *Before* MURRIEL E. CRAWFORD, HUBERT C. LORIN and ANTON W.
25 FETTING, *Administrative Patent Judges*.
26
27 CRAWFORD, *Administrative Patent Judge*.
28
29

30 DECISION ON APPEAL
31
32
33

¹ The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection of claims 1-6, 8-11, 13-19, 21-25, 28-38, 40-45, 47, 50 and 55-64. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellant invented a method and system for auctioning bad debts (Specification 1:8-10).

Independent claim 1 under appeal read as follows:

1. A method of auctioning bad debts to a plurality of clients, said method comprising the steps of:
 - placing select information relating to at least one bad debt on an online auction forum, said select information comprising at least one distinct bad debt item to be displayed on a bidding site of said online auction forum;
 - establishing at least one bidding site on said online auction forum, said bidding site being associated with a database, said database including said bad debt item;
 - classifying said bad debt item based on a geographic territory where said debtor resides;
 - displaying said bad debt item on said bidding site in accordance with said geographic territory.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Atkinson et al.	US 2001/0021923 A1	Sep. 13, 2001
Morris	US 2001/0034662 A1	Oct. 25, 2001
Keyes et al.	US 6,456,983 B1	Sep. 24, 2002

Brown, James J., Judgment Enforcement, 2nd Edition, Aspen
Publishes, December 1, 1995, pp. 1-19 to 1-20, 2-6 to 2-8, 4-13 (hereinafter
“Brown”).

Rivkin, DC; Donovan, DF & Legum. B., Financial & Cross-Borders
Litigation, International Financial Law Review, Euromoney Publications,
July 1994, pp. 47-51 (hereinafter “Rivkin”).

The Examiner rejected claims 1-5, 9-10, 16-18, 21, 23, 28-38, 40-45,
47, 50 and 55-64 under 35 U.S.C. § 103(a) as being unpatentable over
Morris in view of Brown; claims 6, 11 and 19 under 35 U.S.C. § 103(a) as
being unpatentable over Morris in view of Brown and Rivkin; claims 8, 13-
15 and 22 under 35 U.S.C. § 103(a) as being unpatentable over Morris in
view of Brown and Keyes; and claims 24 and 25 under 35 U.S.C. § 103(a)
as being unpatentable over Morris in view of Brown and Atkinson.

SUMMARY OF THE DECISION

We affirm the rejections of claims 1-6, 8-11, 13-19, 21-25, 28-38, 40-
45, 47, 50 and 55-64.

ISSUES

Did the Appellant show the Examiner erred in asserting that the sale
of debt accounts in Morris can be properly combined with certain debt
judgment enforcement provisions of Brown to render obvious associating a
bad debt item with a geographic territory where the debtor resides as recited
in independent claims 1, 31-33, 38, 45, 47 and 55?

Did the Appellant show the Examiner erred in asserting that a
combination of Morris and Brown renders obvious a lot package with at

1 least two bad debts having individually distinct debtors that reside within the
2 same geographic territory as recited in claims 3, 34, 38, 47, 55, 62, 63 and
3 64?

4 Did the Appellant show the Examiner erred in asserting that Rivkin
5 discloses that information concerning the bad debt item includes the
6 geographic territories in which jurisdiction is present over the debtor as
7 recited in claims 6, 11 and 19?

8 Did the Appellant show the Examiner erred in asserting that Atkinson
9 discloses an online auction utilizing consecutive and concurrent bidding
10 phase intervals as recited in claim 24?

11 Did the Appellant show the Examiner erred in rejecting claims 8, 13-
12 15 and 22?

14 FINDINGS OF FACT

15 *Specification*

16 Appellant invented a method and system for auctioning bad debts
17 (Specification 1:8-10).

19 *Morris*

20 Morris discloses a method and system for facilitating a sale of debt
21 accounts between a seller and one or more potential buyers ([0010]).

22 Some of the steps in the system and method include (a) creating a
23 computer readable database comprising data pertaining to a plurality of debt
24 accounts, each account comprising a plurality of data fields, and (b)
25 grouping the accounts into at least one lot based upon at least one correlation
26 among the data in the data fields ([0011], [0031]).

1 Some of the data fields include geographic origin of the accounts
2 (e.g., country, region, state, city, zip code, etc.) and domicile of the seller
3 ([0003], [0036], [0059]).
4

5 *Brown*

6 Brown discloses that a provision for transferring the action or
7 proceeding to the district of the debtor's residence safeguards debtor
8 interests (p. 1-19).

9 Brown also discloses investigating a debtor's files for information
10 including location and sufficiency of debtor's assets and property interests,
11 for example, by visiting the debtor's headquarters or residence (pp. 2-6
12 through 2-7).

13 Information concerning the individual debtor's name, address, and
14 Social Security number may serve to help counsel locate a debtor (p. 2-7).

15 The judgment creditor may move that the court order the judgment
16 debtor to appear before it or a master in the debtor's county of residence to
17 be examined concerning the property (p. 4-13).
18

19 *Rivkin*

20 A court may exercise jurisdiction over a defendant only if there are
21 meaningful minimum contacts between the defendant and the forum. If a
22 defendant does substantial and continuous business in a US state, the courts
23 of that state have jurisdiction over the defendant with respect to any and all
24 claims (paragraph beginning with "Under the US Constitution").
25

26 *Atkinson*

Atkinson discloses a method and system of conducting an auction in at least two rounds. The system includes a sponsor processor, a first bidder processor communicating with the sponsor processor, and a second bidder processor communicating with the sponsor processor. In the system, the sponsor processor contains instructions which, when executed by the processor, cause the processor to conduct the first auction round, apply a rule to an occurrence in the first auction round, and conduct a second auction round in accordance with the applied rule (Abstract; Fig. 1A).

Various goods or services may simultaneously be placed for auction. In certain situations, however, there is a need to provide two or more auctions falling chronologically one after another. Each such action falling in chronological order is referred to herein as an “auction round” ([0012]).

A sponsor 10 may wish to conduct an auction in several rounds for a variety of reasons including, for example, the need to purchase more goods than may be supplied by the bidders 30 or a desire to learn from an early auction round and make alterations in subsequent rounds ([0067]).

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, a pending claim is given the broadest reasonable construction consistent with the specification and should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. Of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

In examining the specification for proper context, the court will not at any time import limitations from the specification into the claims.

1 *CollegeNet, Inc. v. ApplyYourself, Inc.*, 418 F.3d 1225, 1231 (Fed. Cir.
2 2005).

3
4 *Obviousness*

5 One cannot show non-obviousness by attacking references
6 individually where the rejections are based on combinations of references.
7 *In re Keller*, 642 F.2d 413, 425 (CCPA 1981).

8 The motivation need not be found in the references sought to be
9 combined, but may be found in any number of sources, including common
10 knowledge, the prior art as a whole, or the nature of the problem itself. *In re*
11 *Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).

12 Once a prima facie case of obviousness is established, the burden
13 shifts to Appellant to rebut it. *In re Keller*, 642 F.2d at 425.

14
15 *References*

16 A reference capable of more than one interpretation is still a valid
17 reference. The mere existence of a contrary interpretation of the reference
18 does not relieve the courts of their duty of determining the proper
19 construction nor free the Patent Office from its obligation to require
20 applicant to patentably distinguish thereover. *In re Chmiel and O'Leary*,
21 262 F.2d 81, 83-84 (CCPA 1958).

22
23 ANALYSIS

24 *Debtor's Residence*

25 The Appellant asserts that neither Morris nor Brown discloses
26 classifying a bad debt item based on a geographic territory where a debtor

resides, as recited in independent claims 1, 31-33, 38, 45, 47 and 55, because Morris does not disclose how bad debt items are classified (Appeal Brief 22). We disagree with the Appellant.

Morris discloses grouping multiple accounts into at least one lot based upon at least one correlation among the data in the data fields. Under a broadest reasonable interpretation, the correlating of Morris corresponds to the classifying recited in independent claims 1, 31-33, 38, 45, 47 and 55. *See In re Am. Acad. Of Sci. Tech Ctr.*, 367 F.3d at 1364.

The Appellant also asserts that (1) Brown does not disclose that a debtor's residence is a key component of the collection and judgment enforcement process; (2) Brown only discloses a debtor's residence in connection with issues unrelated to classification of auctioned debts; and (3) if anything, Brown discloses classifying debt based on the asset's location, and not the debtor's residence (Appeal Brief 23-25). We again disagree with the Appellant.

Initially, we note that one cannot show non-obviousness by attacking references individually where the rejections are based on combinations of references. *In re Keller*, 642 F.2d at 425. Brown is merely cited for the proposition that a debtor's residence is considered in collection and judgment enforcement processes. Morris discloses correlating accounts into lots based on data in data fields. The Examiner has combined Morris and Brown by placing the debtor's residence of Brown as one possible point of the data in Morris' data field which could be used to correlate multiple accounts into at least one lot (Examiner's Answer 3-6, 31-33). Accordingly, while Brown *by itself* does not disclose classifying bad debt based on a debtor's residence, the *combination* of Morris and Brown does render

1 predictable the aforementioned aspect of independent claims 1, 31-33, 38,
2 45, 47 and 55.

3 The Appellant further asserts that neither Brown nor Morris explicitly
4 sets forth the motivation recited on pages 32-33 of the Examiner's Answer
5 (Appeal Brief 25-26; Reply Brief 2). We once more disagree with the
6 Appellant.

7 The motivation need not be found in the references sought to be
8 combined, but may be found in any number of sources, including common
9 knowledge, the prior art as a whole, or the nature of the problem itself. *In re*
10 *Dembiczak*, 175 F.3d at 999. In this case, the Examiner has chosen to set
11 forth two problems in the field of endeavor that are solved by correlating
12 accounts based on debtor's residence. Accordingly, in the absence of any
13 specific arguments as to why the problems are improper, why the
14 combination doesn't solve the problem, or any other specifically articulated
15 reason why Morris and Brown cannot be combined, the Appellant has not
16 met the burden of showing that the combination of Morris and Brown set
17 forth by the Examiner is improper. *In re Keller*, 642 F.2d at 425.

18
19 *Lot Packages With At Least Two Bad Debts*

20 The Appellant appears to assert that the cited references cannot
21 disclose a lot package with at least two bad debts having individually
22 distinct debtors that reside within the same geographic territory, as recited in
23 claims 3, 34, 38, 47, 55, 62, 63 and 64, because the cited references do not
24 recite the same advantages set forth in the specification (Appeal Brief 28-29;
25 Reply Brief 3). However, none of these advantages are set forth in the

claims, and we “will not at any time import limitations from the specification into the claims.” *See CollegeNet, Inc.*, 418 F.3d at 1231.

Personal Jurisdiction

The Appellant asserts that Rivkin does not disclose geographic territories in which courts have personal jurisdiction over the debtor, as set forth in claims 6, 11, and 19, because Rivkin refers to a jurisdiction in which the judgment debtor has “real property, equipment, fixtures and personal property”, rather than a geographical territory in which the debtor itself is subject to personal jurisdiction (Appeal Brief 29-31). We disagree with the Appellant.

The portion of Rivkin which discloses “real property, equipment, fixtures and personal property” is only related to jurisdiction during a sale and seizure, and not jurisdiction generally. Rivkin discloses that a state court has personal jurisdiction over a defendant if the defendant has meaningful minimum contacts with the state. Thus, the jurisdiction is personal to the defendant, and not just to the defendant’s assets.

The Appellant also asserts that Rivkin is addressing the location of assets owned by a debtor against whom a judgment has already been obtained, rather than the residence of a debtor against whom a judgment has yet to be obtained (Appeal Brief 30). We again disagree with the Appellant.

The claims do not make a distinction between personal jurisdiction that is dependent on whether or not a judgment has already been obtained against a defendant. *See CollegeNet, Inc.*, 418 F.3d at 1231. Moreover, personal jurisdiction is necessary prior to obtaining a judgment against a defendant, and Rivkin discloses aspects related to obtaining personal

1 jurisdiction. Accordingly contrary to Appellant's assertion, Rivkin does
2 disclose obtaining personal jurisdiction over a defendant against whom a
3 judgment has yet to be obtained.

4

5 *Consecutive and Concurrent Bidding Phase Intervals*

6 The Appellant asserts that Atkinson does not disclose concurrent
7 bidding phase intervals, as recited in claim 24, because Atkinson discloses
8 that various goods and services are simultaneously being placed for auction
9 as a single auction item (Appeal Brief 31-32). However, an equally
10 reasonable interpretation of "various goods or services may simultaneously
11 be placed for auction" is that each of the various goods or services has its
12 own separate auction that is run simultaneously or concurrently with the
13 other auctions. As both interpretations of "simultaneous" in Atkinson are
14 reasonable, and one of the interpretations corresponds to the claimed
15 concurrent bidding phase intervals, the rejection is proper. *See In re Chmiel*
16 *and O'Leary*, 262 F.2d at 83-84.

17

18 *Other Claims*

19 The Appellant asserts that the Examiner erred in rejecting claims 8,
20 13-15 and 22 because they depend from allowable claim 1 (Appeal Brief
21 31). However, because we sustain the rejection of claim 1, from which these
22 claims depend, we do not reverse the rejection of these claims.

23

24

CONCLUSIONS OF LAW

25 The Appellant has failed to show that the Examiner erred in rejecting
26 claims 1-6, 8-11, 13-19, 21-25, 28-38, 40-45, 47, 50 and 55-64.

1 The Appellant did not show that the Examiner erred in asserting that
2 the sale of debt accounts in Morris can be properly combined with certain
3 debt judgment enforcement provisions of Brown to render obvious
4 associating a bad debt item with a geographic territory where the debtor
5 resides as recited in independent claims 1, 31-33, 38, 45, 47 and 55.

6 The Appellant did not show that the Examiner erred in asserting that a
7 combination of Morris and Brown renders obvious a lot package with at
8 least two bad debts having individually distinct debtors that reside within the
9 same geographic territory as recited in claims 3, 34, 38, 47, 55, 62, 63 and
10 64.

11 The Appellant did not show that the Examiner erred in asserting that
12 Rivkin discloses that information concerning the bad debt item includes the
13 geographic territories in which jurisdiction is present over the debtor as
14 recited in claims 6, 11 and 19.

15 The Appellant did not show that the Examiner erred in asserting that
16 Atkinson an online auction utilizing consecutive and concurrent bidding
17 phase intervals as recited in claim 24.

18 The Appellant did not show that the Examiner erred in rejecting
19 claims 8, 13-15 and 22.

20 No time period for taking any subsequent action in connection with this
21 appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

LV:

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